

March 10, 2015

**Re: Opposition to House Bill 4015 —
Legislation that Protects Out-of-State Scalpers to the Detriment of Michigan Fans.**

Dear Members of the Michigan Legislature:

The following organizations write to express our strong opposition to House Bill 4015—a bill that, while purportedly consumer-friendly, would only serve to benefit ticket scalpers at the expense of Michigan fans, teams and venues. Opposed are:

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| - Dare Mighty Entertainment | - Kellogg Arena <i>in Battle Creek</i> | - Ringling Bros. and Barnum & Bailey® |
| - Detroit Lions | - Kid Rock | - Saint Andrews Hall <i>in Detroit</i> |
| - Detroit Pistons | - Live Nation Entertainment, Inc. (Artist Nation, Live Nation, Ticketmaster, TicketsNow) | - Soaring Eagle |
| - DTE Energy Music Theatre <i>in Clarkston</i> | - Luna Entertainment | - The Broadway League, Inc. |
| - Fans First Coalition | - Meadow Brook Music Festival <i>in Rochester</i> | - The City Opera House <i>in Traverse City</i> |
| - Feld Entertainment, Inc. | - Michigan International Speedway <i>in Brooklyn</i> | - The Dow Event Center/SMG-Saginaw |
| - Feld Motor Sports®(including Monster Jam®, Monster Energy® Supercross, Nuclear Cowboyz, AMSOIL Arenacross) | - Michigan State University | - The Fillmore Detroit |
| - Fisher Theatre/Broadway In Detroit | - Miller Auditorium <i>in Kalamazoo</i> | - The Palace of Auburn Hills |
| - Ford Field <i>in Detroit</i> | - Olympia Entertainment | - The Recording Academy |
| - Freedom Hill Amphitheatre <i>in Sterling Heights</i> | - Palace Sports & Entertainment | - Van Andel Arena <i>in Grand Rapids</i> |
| - IAVM International Association of Venue Managers | - Red Light Management | - Western Michigan University |
| | | - Wharton Center for Performing Arts <i>in East Lansing</i> |

The sports and entertainment industry is a huge source of pride in Michigan—hundreds of millions of dollars have been invested in venues, sporting events, concerts, and other live event productions in the State, significantly contributing to the employment of thousands of Michigan residents. H.B. 4015 is an attempt by out-of-state ticket scalpers and companies to use legislation to shape the marketplace in order to protect their profits—at the detriment of Michigan consumers, businesses and the State's economy.

We oppose this bill for two significant reasons. First, H.B. 4015 is legislation promoted by companies and scalpers who aim to limit the ability of artists, teams, venues, and promoters—the event presenters who financially and creatively invest in putting on an event—to determine the terms under which tickets to their events may be sold. Thus, ticket scalpers aim to use the bill to dictate how event presenters can sell what they create. It is important to note that with venue consent resale is currently active and legal in Michigan. This is as simple as the Michigan event presenter vs. out-of-state scalpers and companies. By removing measures that help keep tickets at the price the artists and teams intend for Michigan fans there would be significant interference with a robust and dynamic competitive marketplace, putting scalpers ahead of your constituents.

Second, this bill will cause unintended harm to Michigan's economy. The sports and entertainment industry directly affects many people in Michigan beyond the teams and venues. Many ancillary businesses (hotels, restaurants, parking lots, food vendors, union workers, transportation and security companies, etc.) are positively impacted when opposing teams come to town, or when a tour comes through a city. Yet, some performers and promoters may avoid appearing in Michigan if they encounter less fan-friendly protections in fear that their shows will be over-run by scalpers. If

Michigan becomes a less attractive destination for performers and sporting events, the State will lose millions of dollars in taxable revenue during a time when it can ill afford such losses.

Finally, the real industry-wide problems in the resale market that need to be addressed are the use of BOTs—computer hacking programs used by ticket scalpers to jump to the head of the ticket buying “line” scooping up large quantities of tickets before real fans have the chance to purchase tickets, coupled with the lack of consumer disclosures from scalpers and resale websites. The lack of disclosure on resale sites prevents fans from making informed purchases and the State from collecting appropriate taxes. Fans routinely purchase tickets on the resale market unaware of the original price, or that they are shopping on sites where prices often exceed face value. They're also often purposely misled by language or images of an artist, venue, team, or an entertainment event to give the appearance of an official or legitimate ticket selling channel. We encourage the Michigan Legislature to pursue stand-alone anti-BOT legislation that put fans first instead of out-of-state scalpers.

Supporters of H.B. 4015 are protecting the profits of out-of-state scalpers and companies, not the best interests of Michigan fans. The signatories to this letter employ people here, pay taxes here, and help attract tourism and visitors contributing to Michigan's economic base. We have a vested interest in ensuring that fans have a great live entertainment experience—and that they come back again and again. We're standing with fans against this legislation, and we urge you to do the same.

Please oppose this legislation and support our Michigan live entertainment industry and fans.

Sincerely the Michigan Sports & Entertainment Industry Coalition

Cc: House Criminal Justice Committee

The Honorable Kurt Heise, Chair
The Honorable Michael Webber, Majority Vice-Chair
The Honorable Martin Howrylak
The Honorable Todd Courser
The Honorable Peter Lucido
The Honorable Vanessa Guerra, Minority Vice-Chair
The Honorable Marcia Hovey-Wright
The Honorable Stephanie Chang

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